

**Affidavit**

- 1) I, Troy M. Capser, hereafter referred to as your affiant, am a Special Agent with Department of Homeland Security, Homeland Security Investigations, being duly sworn, depose and state the following:
  - a) I am a Special Agent (SA) for the Department of Homeland Security, Homeland Security Investigations, hereafter referred to as HSI, and have been so employed since July of 2001. I am presently assigned to the Resident Agent in Charge (RAC) Kalispell, Montana, HSI office. In addition to my experience as an HSI Special Agent, I received a bachelor's degree from The University of Montana, Missoula, Montana. I have been involved in a number of investigations involving narcotics and have received training in this area. I have participated in numerous seizures of methamphetamine and cocaine as well as subsequent arrests, including the detection and recovery of methamphetamine and cocaine. I have also spoken with and been advised by other agents regarding narcotics investigations and their investigative techniques.
- 2) Based upon my experience and training in narcotics investigations, your affiant is familiar with controlled substances and the related materials used to import, manufacture, package and distribute controlled substances. In that same capacity, your affiant has become familiar with the documents and records commonly maintained by persons who import, manufacture, package, and distribute controlled substances. Your affiant has participated in the execution of search and seizure warrants where assets, documents, records, and controlled substances have been located and seized. Your affiant has also had experience in debriefing defendants, participant witnesses, informants, and other persons who have personal knowledge of the

amassing, spending, converting, transporting, distributing, laundering, and concealing of proceeds of narcotics trafficking.

- 3) Based upon your affiant's experience and training, and further based upon discussions with fellow law enforcement agents with years of personal experience in the area of narcotics law enforcement, your affiant is aware it is common for narcotics traffickers to:
  - a) keep large amounts of U.S. Currency in order to maintain and finance their ongoing narcotics business;
  - b) attempt to disguise, conceal, or hide drug proceeds by placing drug proceeds under a nominee name(s)
  - c) amass proceeds from the sale of drugs; and
  - d) attempt to legitimize these profits through foreign and domestic banks and their attendant services, securities, cashier's checks, money drafts, letters of credit, brokerage houses, real estate, shell corporations, and business fronts.
- 4) Your affiant has knowledge of the following information and facts through information related to him by other law enforcement officers:
- 5) On August 19, 2019, I was relayed information from a Source of Information (SOI) that John Araujo of Kalispell, MT was trafficking methamphetamine from California to Montana for distribution. The SOI added that Araujo just got back from California with several pounds of methamphetamine.
- 6) On August 20th, 2019, Flathead Tribal Police Investigator Will Mesteth advised he had a separate SOI that told him John Araujo arrived from California few days prior with "60 pounds" of methamphetamine.

7) On August 20, 2019, Northwest Montana Drug Task Force (NWDTF) Agent Josh Fields and Joel Bartholomew interviewed a Confidential Informant (CI), hereafter referred to as the "CI". The CI advised that John Araujo and a female identified as Kristal Leonard were involved in the possession, use, and distribution of large amounts of methamphetamine within the Flathead and Lake Counties Montana. Agents learned the CI is and has been a "runner" distributor of methamphetamine for Araujo. The CI advised agents that Kristal Leonard is from California and that her "whole family sells drugs" in California. The CI advised Agents that John Araujo and Kristal Leonard fly to Las Vegas, NV one to two times per month, where they would rent a vehicle and "trip" to California to pick up large amounts of methamphetamine and transport back to the Flathead Valley. The CI stated the CI had personally counted, using a "money counter", \$150,000 cash that was used by John Araujo and Kristal Leonard to purchase methamphetamine in California and or Las Vegas. Once the methamphetamine was back in the Flathead Valley, the CI stated that John Araujo and Kristal Leonard would transport the methamphetamine to a U-Haul storage unit located at 1150 US Highway 2 E. in Evergreen, MT 59901. The CI stated that he had previously had an access card to storage unit #1071 which he witnessed upwards of 10 pounds of methamphetamine that the CI, John Araujo and Kristal Leonard had already distributed. Two months ago, he saw and helped "break down" sixty-seven (67) pounds of methamphetamine at the 1435 5th Avenue address in Kalispell. The CI stated that John Araujo brought it to the residence in a rental vehicle. The CI stated James Cole McAlpine carried the meth inside the residence in a duffle bag. The CI described the duffel bag as "packed full of vacuum sealed packages."

- 8) Agents learned that the CI referred to John Araujo as his "boss" and Kristal Leonard as "my boss' boss."
- 9) Agents learned from the CI that the CI had previously sent John Araujo money via Walmart to Walmart in the amount of \$2,500.00. The CI had done this for John Araujo approximately six times in the past, and the money was always sent to a Walmart in California. The CI stated that he had also put \$2,500.00 cash into a Wells Fargo Bank Account for John Araujo and that this was done on 8/10/2019. The CI stated that he typed a "verification code" into the Wells Fargo Bank ATM and then deposited the \$2,500.00 cash. The CI stated that Araujo appeared to be on the phone with Kristal Leonard and the verification code was supplied by Leonard.
- 10) Agents learned that Kristal Leonard has a residence located at 27258 Lazy Bear Lane in Big Arm, MT 59910. The CI advised agents that Araujo and Leonard would fly to Las Vegas one to two times per month where they would rent a vehicle and "trip" to California to pick up large amounts of methamphetamine to transport them back to the Flathead Valley. The CI provided John Araujo's cell phone number as (406) 212-7562.
- 11) I independently corroborated the CI's statements by confirming with various airlines and rental vehicle companies that the bulk of the travel was completed by Leonard.
- 12) I queried financial records maintained by the Financial Crimes Enforcement Network and found the following Cash Transaction Report (CTR) where cash transactions that are more than \$10,000 are recorded.
  - a) 2/26/2019 a Cash Deposit of \$10,400 into a Wells Fargo Account registered to Kristal Leonard.

- b) 4/18/2019 as Cash Withdrawal of \$24,560 from a U.S. Bank account associated with Kristal Leonard.
- 13) On August 26, 2019, Agent Bartholomew obtained a warrant through the 11th Judicial District Court of Montana to track the historical locations of John Araujo's phone. Agent Bartholomew also requested the Flathead County Attorney's Office to submit a PEN Register Order request for John Araujo's phone. On August 26, 2019, the PEN Order was signed.
- 14) Based on analysis of data provided by AT&T wireless, John Araujo had called or texted Kristal Leonard 43 times between August 26, 2019 and August 28, 2019. John Araujo contacted Kristal Leonard more than anyone else during this time period.
- 15) On August 28, 2019, Agent Bartholomew obtained a warrant through the 11th Judicial District Court of Montana to track the historical locations of Kristal Leonard's phone. Agent Bartholomew also requested the Flathead County Attorney's Office to submit a PEN Register Order request for Kristal Leonard's phone. On August 28, 2019 the PEN Order was signed.
- 16) On September 9, 2019, John Araujo's phone locations indicted the following:
- a) On September 9, 2019, 1543 hours: Wells Fargo 215 2nd Ave E Kalispell, area of drive-up ATM
  - b) On September 9, 2019, 1559 hours: Wells Fargo 215 2nd Ave E Kalispell
  - c) On September 11, 2019 at 1159 hours: Wells Fargo 215 2nd Ave E Kalispell
- 17) On September, 12, 2019, using locations transmitted by Kristal Leonard's phone, Kristal Leonard likely traveled from Missoula, Montana to Reno, NV via commercial air travel.
- 18) From September 12, 2019 through September 15, 2019, Kristal Leonard's phone locations remained in the Reno, NV area. On September 15, 2019 at approximately 2330 hours, Kristal Leonard's phone locations began to travel outside the Reno, NV area. Based on the locations,

Kristal Leonard's phone location indicated she travelled to Nampa, ID. Based on the location of the phone, it appeared Leonard was located at a hotel in Nampa, ID. On September 16<sup>th</sup>, at approximately, 2000 hours, Leonard's phone appeared to travel to Boise International Airport and then abruptly shut off.

19) I contacted Enterprise Car Rental and confirmed that Leonard had rented a Silver Subaru Legacy with California License Plate 8BXB968 while in Reno, NV. Additionally, on August, 16, 2019, Leonard rented a Silver Cadillac XT5 with Florida license Plate JKXY24 at the Boise International Airport location.

20) On September 17, 2019, Leonard's phone appeared to be in Salmon, ID on the south side of town. Agents Bartholomew and Shawback traveled to Salmon, ID and located both the Subaru Legacy and the Cadillac XT5 at the Sacajawea Inn in Salmon, ID.

21) On September 18, 2019, at approximately 1200, Agents Bartholomew and Shawback while still on surveillance, saw both vehicles leave Salmon, ID northbound on U.S. Highway 93 towards Missoula, MT.

22) At approximately, 1530 a traffic stop was conducted on the Subaru Legacy, driven by Jonathan Murray Barry of Palmdale, CA south of Lolo, MT. At the same time another traffic stop was conducted on the Cadillac XT5 driven by Kristal Leonard in Lolo, MT. A State of Montana search warrant was obtained for both vehicles.

23) In Kalispell, Montana at approximately 1530, John Araujo while under visual surveillance left his residence on 5th Avenue East and travelled southbound on U.S. Highway 93. The Nissan Frontier Araujo was driving turned into a gas station in Somers, MT. I and MT DCI Agent Steve Spanogle took Araujo into custody and obtained a State of Montana Search Warrant for the Nissan Frontier.

24) Searches on all the vehicles revealed a total of approximately 31.5 pounds of a mix of cocaine and methamphetamine from the Subaru John Berry was driving and the Cadillac that Kristal Leonard was driving. A search of the Nissan Ajauro was driving revealed approximately one ounce of methamphetamine and a handgun. Additionally, agents located a bag that belonged to Kristal Leonard. The bag contained paperwork that included banking records and receipts of banking transactions. Some examples of these transactions include:

- a) 7/20/2019 MoneyGram money Order for \$1,000.00 (Paid in Cash)
- b) 7/20/2019 MoneyGram Money Order for \$1,000 (Paid in Cash)
- c) 7/29/2019 Cash deposit of \$4000.00 into Wells Fargo account xxxx2034
- d) 8/09/2019 Cash deposit of \$1,000.00 into Trailwest Bank account xxxx5778
- e) 8/9/2019 Cash deposit of \$1,000.00 into U.S. Bank account xxxx6035
- f) 8/9/2019 Cash deposit of \$2,900.00 into U.S. Bank account xxxx6035
- g) 8/10/2019 Cash deposit of \$1,500 into U.S. Bank account xxxx6035
- h) 8/12/2019 Cash deposit of \$2,500 into U.S. Bank account xxxx6035
- i) 8/12/2019 Cash deposit of \$1,500 into Wells Fargo account xxxx2034
- j) 8/12/2019 Cash deposit of \$2,500.00 into U.S. Bank account xxxx5431
- k) 9/18/2019 Cash deposit of \$700.00 into Trailwest account xxxx5778
- l) 9/18/2019 Cash deposit of \$700.00 into Wells Fargo account xxxx5788

25) On September 18, agents served a State of Montana Search Warrant on Leonard's residence located at 27258 Lazy Bear Lane, in Big Arm, MT. During the search agents located approximately 2.5 pounds of methamphetamine on the property.

26) Immediately after these seizures, agents identified the following accounts held by either Kristal Leonard or John Araujo. These accounts were identified by paperwork found inside

the Cadillac driven by Leonard, paperwork found inside the Nissan driven by Araujo, financial database checks, and using location data from the cell-site warrant.

a) U.S. Bank

- a) 1575 1751 5431: Kristal Leonard DBA KLEONARD LLC
- b) 4798 5312 1965 0977: KLEONARD LLC
- c) 157510836891: KLEONARD LLC
- d) 1575220318401: KLEONARD LLC
- e) 157510836891 Kristal and Glenn Leonard
- f) 253467768904 Kristal Leonard
- g) 253467768896 Kristal Leonard

b) Wells Fargo

- a) 68362901943014: Leonard
- b) 5362588633: Kristal Leonard
- c) 6836290194: Kristal Leonard
- d) xxxxxxxxxxxx2034: Kristal Leonard
- e) xxxxxxxxxxxx5788: John Araujo

c) JP Morgan Chase

- a) 2937543078: Kristal Leonard
- b) 806002234: Kristal Leonard
- c) 876942186: Kristal Leonard

d) Trail West Bank

- a) xxxxxxxxxxxx5778: John Araujo



27) Additional items were seized from Leonard following the search of the Cadillac she was driving. Agents located several ledgers and record keeping documents indicative of drug sales. A small excerpt of information found in one of the ledgers is:

- a) "Snow ½ key (kilo) \$13,000 + ½ key = \$26,000"
- b) "new batch \$1,000 me, \$2,000 bank, 250 little g"
- c) "Joe Felker \$12,000 Cashier's Check Wells Fargo"

28) On September 18, agents also served a State of Montana Search Warrant on Leonard's residence. During the search agents located approximately 2.5 pounds of methamphetamine on the property.

29) A check with the Montana Department of Labor state wage inquiry, which documents unemployment insurance withholding, shows Kristal Leonard has no reported income. Based on the investigation, agents learned that Leonard has resided in Montana for the bulk of 2019. Additionally, when several banks filed a Cash Transaction Report for various cash transactions, the filing financial institution indicated that Leonard filed account documents with an occupation of "homemaker".

30) On September 24, 2019, HSI Resident Agent in Charge (RAC) Todd Holton was contacted by an employee with U.S. Bank and informed Glenn Leonard, the husband of Kristal Leonard, attempted to withdraw the full amount of funds in an unspecified U.S. Bank account registered to "KLEONARD LLC." and move it to another account that was registered as an LLC. U.S. Bank did not allow the transfer to take place due to "fraudulent activities." Based on the conversation with U.S. Bank, RAC Holton learned that the bulk of the money identified so far in the investigation at U.S. Bank are being routed to the accounts registered to "KLEONARD LLC."

31) The facts set forth above are not all of the facts known to the investigation but are sufficient to establish probable cause to believe that the subject bank accounts and safe deposit boxes, if held are subject to forfeiture pursuant to Title 21 U.S.C. §881(a)(6).

### **CONCLUSION**

32) Based upon the facts and circumstances described above, there is probable cause to believe that Kristal Leonard and John Araujo and others named herein are involved in violations of Title 21 USC 846, Title 21 USC 841, and Title 18 USC 1956, that the subject bank accounts, if held, described above represent and contain proceeds traceable to these violations, and the property is thus subject to forfeiture pursuant to Title 21 USC 881(a)(6). Accordingly, your affiant seeks a seizure warrant pursuant to Title 21 USC 881(b) and 18 U.S.C. 981(a)(1)(C) for the following property:

All monies and/or assets held in the name of, or for the direct or indirect benefit of Kristal Patricia Leonard and John Patrick Figueroa Araujo including but not limited to the account numbers:

U.S. Bank

1575 1751 5431: Kristal Leonard DBA KLEONARD LLC

4798 5312 1965 0977: KLEONARD LLC

157510836891: KLEONARD LLC

1575220318401: KLEONARD LLC

157510836891 Kristal and Glenn Leonard

253467768904 Kristal Leonard

253467768896 Kristal Leonard

Wells Fargo

68362901943014: Leonard

5362588633: Kristal Leonard

6836290194: Kristal Leonard

xxxxxxxxx2034: Kristal Leonard

xxxxxxxxx5788: John Araujo

JP Morgan Chase

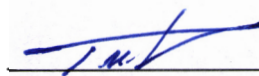
2937543078: Kristal Leonard

806002234: Kristal Leonard

876942186: Kristal Leonard

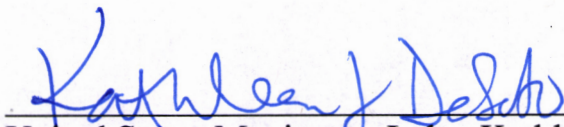
Trail West Bank

xxxxxxxxx5778: John Araujo



Troy M. Capser, Special Agent  
Homeland Security Investigations

Sworn and Subscribed  
Before me on this 24<sup>th</sup> Day of September 2019.



United States Magistrate Judge Kathleen L. DeSoto